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REMARKS/ARGUMENTS

Claims 1-21, 23-62 and 64-83 remain pending in the instant application. The Specification is amended to correct several minor, typographical errors. Claims 1 and 43 are amended to clarify aspects of the respective system and method disclosed therein. Claims 22 and 63 are cancelled due to incorporation of their subject matter with respective independent claims 1 and 43. Claims 3, 9-12, 20, 21, 50 and 61 are amended to reflect terminology of amended claims 1 and 43. Claims 8, 17, 24, 25 and 73 are amended for clarity and/or to correct typographical errors. Claim 62 is amended to recite a web page instead of an Internet connection, pursuant exemplary support at page 8, lines 9-25 of the Specification. Claim 66 is amended to correct antecedence. Claims 84 and 85 are added without new matter pursuant support from the Specification, including the following:

In support of new claim 84:

"The system web site...provides access to specific kiosk inventory," Specification p. 7, lines 32-34.

"At the kiosk, a graphical user interface (GUI) utilizing a touch screen display provides a user-friendly interface even to consumers lacking computer experience. Once a touch screen is activated, a computer in the kiosk generates a touch-selectable list of available media" Specification p. 9, lines 4-7.

"The use of the html protocol allows an Internet browser to be a system interface," Specification p. 13, lines 16-17.

In support of new claim 84:

"A customer may reserve and pay for a DVD stocked at a specific kiosk from the website, then pick up the DVD within a specified time period at the specific kiosk." Specification p. 9, lines 32-34.

Given the aforementioned cancellations, claims 1-8, 18-19, 26-29, 34-39, 41-52, 59-60, 69, 70, 75-80, 82 and 83 stand rejected under 35 U.S.C. § 103, in view of various combined references discussed herein below. Where used herein, subheadings correspond to the order of issues presented in the Office Action of 09 March 2006.

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Finality Withdrawn

We thank the Examiner for indicating that the finality of the Office Action dated 3/30/2005 is withdrawn.

Claim Rejections – 35 U.S.C. § 112

The Examiner rejects claims 8 and 49 as failing to comply with the enablement requirement, stating that the specification does not show setting or reading the disclosed flag sufficiently to enable one of ordinary skill or art to make or use the invention without undue experimentation. Claims 8 and 49 are amended to recite determining a position of a user-actuatable toggle mechanism, pursuant support from the '631 Application, such as:

"A mechanism is preferably incorporated into system media cases that when toggled allows the system to identify a disk that the customer deemed to be damaged or in need of attention." Specification p. 5, lines 10-13.

Claim 66 is rejected as being indefinite, as it depends from itself. Claim 66 is accordingly amended to correctly depend from claim 65.

Claim Rejections – 35 U.S.C. § 103

For the purpose of the following discussion, the Examiner is respectfully reminded of the basic considerations which apply to obviousness rejections:

When applying 35 U.S.C. §103, the following tenets of patent law must be adhered to:

- (A) The claimed invention must be considered as a whole;
- (B) The references must be considered as a whole and must suggest the desirability and thus the obviousness of making the combination;
- (C) The references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention; and
- (D) Reasonable expectation of success is the standard with which obviousness is determined. MPEP §2141.01, *Hodosh v. Block Drug Co., Inc.*, 786 F.2d 1136, 1134 n.5, 229 USPQ 182, 187 n.5 (Fed. Cir. 1986).

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In addition, it is respectfully noted that, to substantiate a *prima facie* case of obviousness, the initial burden rests with the Examiner who must fulfill three requirements. More specifically:

To establish a *prima facie* case of obviousness, three basic criteria must be met.

First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings.

Second, there must be a reasonable expectation of success.

Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The *teaching or suggestion* to make the claimed combination and the *reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure*. (emphasis and formatting added) MPEP § 2143, *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)

Claims 1-8, 18-19, 22, 26-29, 34-39, 41-52, 63, 69, 70, 75-80 and 83 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,934,439 (hereinafter, "Kanh") in view of Amos. Applicants respectfully disagree and traverse the rejection, for at least the following reasons:

Independent Claims 1 and 43: In order to render amended claims 1 or 43 *prima facie* obvious, the combined references must teach or suggest all of the elements of the claims. In particular, Kanh in view of Amos must teach or suggest Applicants' system (claim 1) or method (claim 43) for dispensing optical storage media, including the following elements:

- (a) a database including information representative of kiosk inventory and accessible by said user via a kiosk interface and the Internet (or providing a user with information representative of inventory of said kiosk, said inventory information accessible (a) at said kiosk and (b) over the Internet, as in claim 43);

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- (b) instructions to request (or requesting) billing information from the user, including a user-specified e-mail address;
- (c) instructions to respond to a user request from the Internet or from a kiosk interface, to identify inventory in said kiosk (claim 1)
- (d) instructions to receive (or receiving) (a) a request for an optical storage media and (b) billing information, including the user-specified e-mail address, from a user; and
- (e) instructions to transmit (or transmitting) an electronic receipt for said transaction to said user specified e-mail address in said billing information.

The above amendments are fully supported by the '631 Application. In addition to the support cited herein above for new claims 84 and 85, the '631 Application recites: "Internet connectivity allows customers to have the choice of shopping online or on-site or to access a variety of real-time services...Each kiosk is a self-service unit that uses a computer, Internet connectivity, and a touch screen monitor for customer interaction...The kiosks are fully automated providing customer service through the Internet; and on-site staffing is not required to support customer needs. The system web site provides 24-hour access to on-line customer support. It also provides access to specific kiosk inventory, movie trailers and reviews, customer inquiries, special orders, regular individually tailored e-mailed updates, and overall service." Specification p. 8, lines 9-25. " In addition, "Customers may use the Internet to query a specific kiosk for availability." Specification p. 9, lines 2-3. Furthermore, "Receipts may include transactional information as well as advertising and links to specific web sites. All receipts are given by e-mail reducing the expense of a kiosk since a hard-copy receipt printer is not required" Specification p. 3, lines 19-22. Additional support for the user specified address being an e-mail address is found throughout the specification. See for example page 14, lines 4-26 (for clarity, see the amendment to lines 4-26, submitted herein above). In addition, "During the disk-dispensing operation, an option to receive an e-mailed receipt is given." Specification p. 3, lines 14-15.

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On the other hand, as argued herein, Kanoh in view of Amos does not teach or suggest amended claim 1 elements (a)-(e).

elements (a) and (c):

Regarding claim element (a), we note that Kanoh is completely silent as to the Internet or any type of inventory database or inventory information that is Internet accessible. Furthermore, the only "on-line" communication taught in Kanoh is between a renting apparatus and control center or between the control center and a credit card company:

"an automatic renting system 1 is generally constructed with a control center (central office unit) 2, a plurality of automatic renting apparatus 3 (3-1, 3-2, 3-3, . . .) connected as on-line terminal units to the control center 1, and an associated credit card company 4 connected on-line to the control center 2. In this embodiment, a credit card issued by the credit card company is used as a member card for renting the video cassette using the automatic renting apparatus 3. A general description of the renting operation of the video cassette follows."

Kanoh col. 4, lines 22-32.

There is no mention of, or provision for, a database having kiosk inventory information that is accessible to a user, both via a kiosk (e.g., kiosk interface, claim 1) and through the Internet, as is required in the aforementioned amended claims. As noted and as recognized by the Examiner, Kanoh is mum as to Internet connectivity.

Amos also fails to teach or suggest such a limitation. Indeed, since cash is the inventory of Amos's kiosks, it would be unwise for Amos to include user access to kiosk inventory information, as a potential thief could then query multiple kiosks to find those kiosks containing the most money.

Kanoh in view of Amos therefore does not teach or suggest amended claims 1 and 43 element (a). The combined patents also fail to teach or suggest element (c) of amended claim 1. Nowhere do Kanoh or Amos teach or suggest instructions to respond to a user request from the Internet or from a kiosk interface, to identify inventory in the database of said kiosk.

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elements (b), (d) and (e):

The Examiner recognizes that Kanoh does not disclose electronically transmitting a receipt to the user address in the billing information. We agree with the Examiner's finding and note that Kanoh cannot and does not teach claim elements (b), (d) and (e).

The Examiner relies upon Amos to supply the admittedly missing elements in Kanoh, stating that Amos shows electronically transmitting a receipt to a user address in billing information, and specifically citing Amos col. 2, line 65 – col. 3, line 5. The Examiner states that combining this alleged feature with Kanoh would have been obvious. We respectfully disagree. The cited Amos passage vaguely recites generation of an optional receipt by a local printer, or "Alternately a cookie, email or by means known to those skilled in the art (E) is given to the Initiator's or (I')-PC to verify the transaction via the CDBS or Internet web page." Amos col. 2, line 65- col. 3, line 2. This is not an enabled description of obtaining an e-mail address. Indeed, there is no teaching within Amos of how an e-mail address is obtained, and certainly no indication that an e-mail address is requested or received as part of billing information, as required in elements (b) and (d) of amended claims 1 and 43.

Amos does not teach billing information including an e-mail address. Amos recites only *transfer information* and *transaction information*, neither of which include an e-mail address.

For example, "The *transfer information* consists of who pays for the transfer (Initiator or Recipient), *identification data about the Recipient* (to whom), and identification data about the location (s) (to where), the funds are to be made available to device B_n (or devices B_{n-1} at multiple sites)." Amos col. 2, lines 46-51, emphasis added. There is no e-mail address associated with this transfer information, anywhere in Amos. Furthermore, Amos's transfer information includes identification data about the recipient and location only. Even if such identification data included an e-mail address (and Amos decidedly does not teach or suggest that it does), Amos's recipient is not analogous to Applicant's user. Likewise, Amos's "location" is different from Applicant's user.

Amos's transaction information is likewise void of an e-mail address: "the *transaction information* comprises: i) a recipient identification data, ii) a designated

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distal end or general locality, iii) an amount of funds [*sic.*] in the transaction, iv) what type of funds is to be made available to one or more money transfer devices at said distal end, v) what type of funds [*sic.*] has been accepted by the money transfer device, whether currency, credit or debit, vi) confirmation and transaction codes and a password," Amos, claim 13; see also col. 2, lines 56-63.

Furthermore, Amos's vague description of giving receipts is not equivalent to the recitations of amended claim 1. Amos appears to teach giving a receipt from a kiosk to a PC. See, e.g., Amos col. 2, line 65- col. 3, line 2. This is different from the system described in claim 1, which recites a second set of instructions for directing a CPU in the system server to transmit an electronic receipt to the user-specified email address.

Respectfully, this rejection suggests an attempt to piecemeal-combine Kanoh with a single vague, non-enabled and non-equivalent idea in Amos, in an attempt to render Applicants' claims. This is impermissible under 35 U.S.C. §103. See, *Ruiz v. A.B. Chance Co.*, 69 USPQ2d 1686 (CA FC 2004).

There is no suggestion or motivation within Kanoh or Amos to combine references as the Examiner suggests. For example, Kanoh does not provide any manner of inputting the "@" character that would be necessary for entering an e-mail address (as purportedly done in Amos). Kanoh recites only "a set of keys, including a renting key 37b for selecting the rental of a video cassette, a returning key 37c for commanding the return of a video cassette, a canceling key 37d for canceling input, and a confirmation key 37e for entry of agreement to a member code for handling the automatic renting apparatus. Ten additional (numeric) keys 37f are also provided on the operation plane 37 for entering the video cassette number." Kanoh col. 5, lines 25-32; FIGs. 2, 3 and 5. An attempt to incorporate Amos's phantom e-mail into Kanoh would therefore be unsuccessful.

Furthermore, Kanoh seeks "to provide an automatic commercial article renting system which can appropriately handle the case when a rented article is not returned even after a set returning period." Kanoh col. 2, lines 5-8. One interested in the handling of overdue rented articles would not logically look to the field of money transfer for a solution. We submit that there is no motivation to combine references.

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However, even if motivation and reasonable expectation of success did exist in the Kanoh-Amos combination (and we submit that they do not), the references still fail to teach or suggest the user-specified e-mail address in billing information. See elements (b), (d) and (e), above. The combined references also fail to teach or suggest at least claim 1 and 43 elements (a) and claim 1 element (c), because Kanoh and Amos are completely silent as to Internet access of inventory.

Prima facie obviousness is not established. We therefore respectfully request withdrawal of the Examiner's rejections, and allowance of claims 1 and 43.

Dependent Claims 2-8, 18-19, 26-29, 34-39, 41, 42, 44-52, 69, 70, 75-80, 82 and 83: The courts have ruled that if an independent claim is nonobvious under 35 U.S.C. §103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988). The aforementioned dependent claims are thus patentable, at least due to their dependence from claim 1 or claim 43. However, additional patentable distinctions are also apparent with respect to these dependent claims. By way of example, the Examiner recognizes (and we agree) that the following features, among others, are not taught, suggested or disclosed by Kanoh in view of Amos:

- instructions to read from one of said optical storage media (claims 2 and 44);
- instructions to display data read from an optical storage media (claims 2 and 44);
- an optical recorder and instructions to read and detect (or reading from and detecting) errors on returned media (claims 4, 5 and 46, respectively);
- instructions to generate a recording (or generating a recording) responsive to the detection of errors on the media (claims 6 and 47, respectively);
- instructions to receive a signal from (or receiving a signal from) a user that the media contains an error (claims 7 and 48, respectively);
- determining position of a user-actuable toggle mechanism on a casing that is returned with the media (claims 8 and 49);
- providing an ISP, a third processor at the ISP, programming at the ISP for transmitting messages between the kiosk and server; a tangible media for

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storing the programming; the kiosk and server configured to communicate via the ISP, and sending messages via the Internet (claims 26, 67 and 68)

- instructions to insert or remove data from a message (claim 26);
- advertisements with promotions for items available (claims 34, 35, 75 and 76).
- including a link to a home page in a receipt showing promotions offered by a seller (claims 36-38 and 77-79).
- providing media via a dispenser, a slot for returning media, a reader proximate the retrieval slot, instructions to read an identifier and determining whether the media belongs to the system, and opening the slot upon determining that media belongs to the system (as in claims 39, 41, 42, 80, 82 and 83).

However, the Examiner takes Official Notice that the above features are notoriously old and well known. We respectfully remind the Examiner that:

"To reach a proper determination under 35 U.S.C. 103, the examiner must step backward in time and into the shoes worn by the hypothetical "person of ordinary skill in the art" *when the invention was unknown and just before it was made*. In view of all factual information, the examiner must then make a determination whether the claimed invention "as a whole" would have been obvious at that time to that person. Knowledge of applicant's disclosure must be put aside in reaching this determination, yet kept in mind in order to determine the "differences," conduct the search and evaluate the "subject matter as a whole" of the invention. The tendency to resort to "hindsight" based upon applicant's disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of the facts gleaned from the prior art." MPEP 2142, emphasis added.

We contend that regardless of the Examiner's official notice, it would not have been obvious to combine the "official notice" features with Kanoh in view of Amos, "when the

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invention was unknown, and just before it was made." Furthermore, there is no suggestion or motivation within Kanoh or Amos to make such combinations. We therefore request evidence (MPEP §2144) that such combinations would have been obvious at the time the invention was made.

We further contend that the Examiner's finding of official notice is a moot point, because claims 2-8, 18-19, 26-29, 34-39, 41, 42, 44-52, 69, 70, 75-80, 82 and 83 all depend (directly or indirectly) from claim 1 or claim 43, which are not obvious. Again, if an independent claim is nonobvious, so are its dependent claims.

Kanoh in view of Amos fails to establish a *prima facie* case of obviousness because the combined references neither teach nor suggest all of the above claim limitations. We therefore respectfully request withdrawal of the Examiner's rejections over Kanoh in view of Amos.

Dependent Claims 9-11: Claims 9-11 stand rejected over Kanoh in view of Amos and further in view of U.S. Patent No. 4,915,205 (hereinafter, "Reid"). We again respectfully disagree. Claims 9-11 depend from claim 1, which is shown to be nonobvious over Kanoh in view of Amos, for example because the combined references fail to teach or suggest above-noted claim elements (a)-(e). Adding Reid does not remedy this failure. Reid is completely silent as to the Internet (elements (a) and (c)) or any means of communicating a receipt, let alone transmitting a receipt to a requested user-specified email address in billing information (elements (b), (d) and (e)). Reid teaches recording data either in computer memory or on alternate means of permanent recording, "such means being a printer or a magnetic recorder such as a cassette, floppy disc or diskette." Reid col. 2, lines 52-54. Reid underscores the printer serving as a backup to memory (and opposed to a receipt printer), by noting that the printer prints "computer records", and further by specifying that the printer is "within the machine". See Reid col. 7, lines 4-9, and col. 6, lines 38-41. Reid does not teach or suggest any outside access to the printer.

As shown, the combination of Kanoh, Amos and Reid does not establish *prima facie* obviousness over claims 9-11, at least because the combination does not teach or

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suggest all of the limitations of base claim 1. We respectfully request withdrawal of the Examiner's rejection.

Dependent Claims 9-12: Claims 9-12 stand rejected over Kanoh in view of Amos and further in view of U.S. Patent No. 5,007,518 (hereinafter, "Crooks"). We respectfully disagree. Like Reid, Crooks is absolutely silent regarding the Internet, or user access to an inventory database via the Internet (elements (a) and (c)). Crooks also fails to teach or suggest elements b), (d) and (e). Notably, Crooks does not mention e-mail at all, let alone requesting an e-mail or e-mailing a receipt to a user-specified address in billing information. Rather, Crooks repeatedly and specifically teaches printed receipts. See, e.g., Crooks col. 10, lines 8-12; col. 32, lines 49-52. Therefore, the combined references (whether taken alone or in combination) do not render base claim 1 *prima facie* obvious. If an independent claim is nonobvious, then so are any claims depending therefrom. Hence, we request withdrawal of the Examiner's rejection of claims 9-12.

Dependent Claims 13 and 54: Claims 13 and 54 are rejected as being patentable over Kanoh in view of Amos and further in view of U.S. Patent No. 5,938,510 (hereinafter, "Takahashi"). We must again respectfully disagree. Takahashi teaches a disk cleaner device. Takahashi cannot and does not teach or suggest amended claim 1 and 43 elements (a)-(e), notably because Takahashi is completely silent as to the Internet, inventory, requesting billing information, e-mail, receiving a request for optical storage media, and transmission of receipts of any kind. Because the Kanoh, Amos and Takahashi combination does not teach or suggest each and every limitation of claims 1 and 43, it cannot render respective dependent claims 13 and 54 *prima facie* obvious.

In addition to this failing of the Kanoh, Amos and Takahashi combination, we note that there is no motivation for a purveyor of an automatic renting system (Kanoh) or an automatic instant money transfer machine (Amos) to provide a manually operated cleaner (see Takahashi col. 7, lines 4-19) of any kind. To do so would require added expense to the purveyor, and it is unlikely that a population utilizing an automated rental apparatus would have the time or patience to run an item through Takahashi's manually operated cleaner, when it could more easily be dropped into a return opening.

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The non-analogous Takahashi is also in a different class (class 451, "abrading", primary subclass 290, "disk or wheel abrader", secondary subclasses 285 "rotary work holder" and 287 "Planar surface abrading"). One interested in automatic rental and return of cassettes (KanoH deals specifically with video tapes, mentioning CDs briefly only in reference to prior art), would not logically look to the art of "abrading", as abrasion could damage returned items. Neither would one interested in automatic instant money transfer (Amos) look to "abrading", for obvious reasons of potential damage to received or dispensed cash.

We submit that in addition to failing to teach or suggest every limitation of base claims 1 and 43, the KanoH/Amos/Takahashi combination fails to suggest the desirability and thus the obviousness of making the Examiner's suggested combination. See tenants (B) and (D) of patent law, above. The 35 U.S.C. §103(a) rejection of claims 13 and 54 therefore fails, and we respectfully request withdrawal of said rejection.

Respectfully, as discussed above relative to the KanoH/Amos rejection of claims 1 and 43, the KanoH/Amos/Takahashi combination suggest an attempt to piecemeal-combine some of the current claims. This is impermissible under 35 U.S.C. §103. For example, "It is impermissible to use the claimed invention as an instruction manual or 'template' to piece together the teachings of the prior art so that the claimed invention is rendered obvious"; *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1141, 227 USPQ 543, 550 (Fed. Cir. 1985); *W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984) ("To imbue one of ordinary skill in the art with knowledge of the invention in suit, when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher"). In at least the case of the KanoH, Amos and Takahashi combination, the references themselves provide no suggestion or motivation to combine, as the Examiner's suggested combinations would hinder the intended function of KanoH's and Takahashi's devices.

Claims 14 and 55: These claims stand rejected under 35 U.S.C. 103(a) as being unpatentable over KanoH in view of Amos, Takahashi and Crooks. However, as noted in

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the above sections addressing claims 9-12 and claims 13 and 54, none of these references teaches or suggests each and every limitation of base claims 1 and 43. *Prima facie* obviousness is not established.

Furthermore, contrary to the Examiner's assertion, Crooks does not teach or suggest the error checking routine of claims 14 and 55. Applicants' claims require reading optical storage media, performing an error checking routine on the optical media and generating an indicia of error responsive to detecting an error. Crooks does not perform an error checking routine on media, nor does Crooks detect errors on media. Rather, Crooks relies upon a user to indicate whether or not a returned tape is damaged:

"Optimally, the customer is asked whether or not the tape was damaged (Step 40). If the response is negative, the computer controls the transport mechanism to return the tape to its allotted position on one of the storage drums, which has previously been determined from information stored in the memory...If the machine is so configured and if the customer indicates the tape was damaged, they are issued a credit (Step 41), and the system follows the same subsequent route as for return of an undamaged tape. However, the inventory is updated to mark the tape unavailable." Crooks col. 32, line 67—col. 33, line 11.

On the other hand, with Applicants' error detection system:

"Quality scanning software can accomplish a playable/not playable decision via interaction with the error correction code on individual optical media...The scanning may be performed using a media specific drive, in concert with automated transporting to and from the drive within the storage system. The error system first identifies every file in the file tree structure. It then traps errors in the file tree structure if a file cannot be opened. Next, the error system opens each file, reads the first block of each file, reads subsequent blocks of each file, trapping errors on each block." Specification p. 4, lines 6-14.

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In other words, "Data read from disk 214 in step 803 is analyzed by an algorithm in step 804 to detect data errors." Specification p. 15, lines 23-24. This is different from asking a user whether a tape is damaged. Thus, the Kanoh/Amos/ Takahashi/Crooks combination not only fails to teach or suggest each and every limitation of the base claims, it also fails to teach or suggest the above described limitations of claims 14 and 55 themselves. We thus request withdrawal of the Examiner's rejection.

Claims 20, 21, 53, 61 and 62: These claims stand rejected as being unpatentable over Kanoh in view of Amos, and further in view of U.S. Patent No. 4,907,815 (hereinafter, "Hirschfeld"). The Examiner recognizes that Kanoh and Amos do not show maintaining an inventory at the server, but states that Hirschfeld shows such limitation. However, Hirschfeld is completely silent as to user access to a kiosk or database of inventory via the Internet. Rather, Hirschfeld teaches posters showing items for sale or rent:

"The front panels 38 and 40 of the door assemblies have forwardly projecting sections mounting a plurality of posters 52 displaying information on the contents of the video cassettes available for rental or purchase." Hirschfeld col. 5, lines 48-51. "Article selection is then made by the user from the information on the posters 52 as shown in FIGS. 1 and 2." Hirschfeld col. 13, lines 8-10.

Hirschfeld also fails to teach or suggest e-mail, obtaining a user e-mail address or sending a receipt by e-mail. On the contrary, regarding the latter, Hirschfeld specifically recites and shows printed receipts, a receipt printer, a receipt paper roll, a printed receipt delivery port and a receipt cutter. See e.g., Hirschfeld col. 5, line 48- col. 6, line 21; col. 12, lines 1-4; FIGs. 1, 2, 5 and 25.

In addition, amended claim 62 specifically requires providing access to an inventory database to a user via a web page. Hirschfeld is silent as to any web page, let alone a web page from which a user can access an inventory database. Again, Hirschfeld teaches posters presenting inventory to users, not a user-accessible on-line database.

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Hirschfeld does not teach or suggest the missing elements (a)-(e) of independent base claims 1 and 43. Kanoh in view of Amos and Hirschfeld therefore does not establish *prima facie* obviousness over respective dependent claims 20, 21 and 53, 61, 62.

Claims 30-32, 71 and 72 - First Rejection: These claims stand rejected under 35 U.S.C. 103(a) as being unpatentable over Kanoh in view of Amos and further in view of Brindze. The Examiner states that although Kanoh/Amos do not disclose concentric markings on CDs, it would have been obvious to incorporate concentric markings recited in Brindze. We again must respectfully disagree. First, although Kanoh recites optical media (and then only CDs) in the Background of his patent, Kanoh deals specifically with cassettes only. There would be little if any reason to include concentric markings on either the cassettes of Kanoh or the cash product of Amos, since neither Kanoh nor Amos provides for spinning said cassettes or cash to read a concentric marking. This indicates lack of motivation (or success) in combining references.

Next, as previously argued, the concentric markings taught in the '631 application and claims differ from Brindze's linear markings placed concentrically about a media center. See Brindze, FIG. 1A; FIG. 13, and FIG. 15. Furthermore, Brindze's linear markings cannot be read in the manner of the concentric rings of the '631 Application. For example, the concentric rings may be read by scanning linearly across a media. "A standard *line scanner* will view a *simple straight cross-section* as it passes through the center of the ring. This gives the scanner two attempts at reading the entire code on the coded object; once on either side of the center as the reader passes over the center of the code." Page 5, lines 12-17 of the Specification, emphasis added; FIG. 7. Brindze does not teach or suggest linear scanning of a media, nor does Brindze provide two opportunities to read a code in one linear pass.

We contend that for these reasons alone, *prima facie* obviousness is not established over claims 30-32, 71 and 72. However, we further note that Brindze does not supply claim elements (a)-(e); therefore, the Kanoh/Amos/Brindze combination fails to teach or suggest all of the elements of amended base claims 1 and 43.

Claims 30-32, 71 and 72 - Alternate Rejection 1: The Examiner alternatively rejects claims 30-32, 71 and 72 over Kanoh in view of Amos and JP 7-182659

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(hereinafter, "JP"). However, again, JP recites an optical disc drive apparatus, and does not teach or suggest elements (a)-(e) of amended claims 1 and 43. JP therefore cannot render claims 30-32, 71 and 72 *prima facie* obvious, whether taken alone or in combination with Kanoh and Amos.

Claims 30-32, 71 and 72 - Alternate Rejection 2: Claims 30-32, 71 and 72 are alternately rejected as being unpatentable over Kanoh in view of Amos and further in view of U.S. Patent No. 5,107,667 (hereinafter, "Tone"). Tone describes a spinning frame management method, where identification markings are applied to bobbin trays, so that trays with inferior-quality yarn can be identified. We submit that a concentric marking on a bobbin tray is different from a concentric marking on optical recorded media. Furthermore, Tone is non-analogous art not only to the '631 Application, but also to Kanoh and Amos.

For example, there would be no motivation for one concerned with automatic renting systems, as in Kanoh, or money transfer machines, as in Amos, to look to the art of textiles. In particular, we submit that Kanoh and Amos would not look to a reference teaching surveillance of twisting operations (subclass 564), because twisting could damage or destroy the products (cassettes and cash, respectively) of Kanoh and Amos. The Kanoh/Amos/Tone combination thus fails to suggest the desirability, and hence the obviousness, of making the Examiner's suggested combination. The combination thus fails to meet at least tenants (B) and (D) of patent law (see above), and cannot render claims 30-32, 71 and 72 *prima facie* obvious.

In addition, the Kanoh/Amos/Tone combination still fails to teach or suggest at least elements (a)-(e) of amended claims 1 and 43, thus failing anew to render base claims 30-32, 71 and 72 *prima facie* obvious.

We have shown that none of the three alternate combinations establish *prima facie* obviousness over claims 30-32, 71 and 72. We thus respectfully request withdrawal of the Examiner's rejections.

Claims 33, 73 and 74: Claims 33, 73 and 74 stand rejected as being unpatentable over Kanoh in view of Amos and further in view of U.S. Patent No. 5,900,608 (hereinafter, "Iida"). However, there is no motivation to combine Iida with Kanoh or

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Amos. Iida describes a system wherein a user can customize and purchase a CD or MD, selecting songs to be included, a jacket, title and the like. See Iida col. 10, line 43- col. 11, line 33; col. 13, lines 26-45. Kanoh concerns pre-recorded rentable articles, not creation of custom articles for purchase only. Amos concerns automatic money transfer machines, not creation of custom recordings. There is no suggestion within Kanoh, Iida or Amos to combine disclosures.

Iida also fails to teach or suggest at least the following elements of base claims 1 and 43:

- Internet access, by a user, to a processor or a database with inventory information;
- e-mail;
- billing information including e-mail; and
- receipts of any type

Iida in combination with Kanoh and Amos therefore cannot render claims 33, 73 and 74 *prima facie* obvious, at least because the combination fails to teach or suggest all of the limitations of the base claims.

Claims 23-25 and 64-66: These claims stand rejected under 35 U.S.C. 103(a) as being unpatentable over Kanoh in view of Amos and further in view of U.S. Patent No. 5,724,521 (hereinafter, "Dedrick"). Again, we respectfully disagree. Claims 23-25 depend from claim 1, and benefit from like argument. Claims 64-66 depend from claim 43, and benefit from like argument. For example, Kanoh in view of Amos does not teach all the features of the claimed invention, nor is there motivation to combine a non-enabled idea in Amos with Kanoh's article renting apparatus. In addition, the Examiner recognizes that Kanoh in view of Amos does not teach sending advertisements according to a user profile. We agree that in addition to the previously-discussed failings of Kanoh and Amos, neither patent discloses a user profile or advertisement.

Adding Dedrick does not remedy this failure. First, Dedrick does not teach or suggest a kiosk inventory database that is accessible to a user, notably because Dedrick does not teach kiosks having any real inventory. Rather, Dedrick concerns a best-fit pricing method for providing electronic advertisements to end users, wherein:

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"The metering server 14 is capable of storing units of information relating to the content databases of the publisher/advertiser, including the entire content database. The publisher may periodically update the contents of the database. The content may be initially transferred from the publisher/advertiser 18 to the clearinghouse server 20, which retransmits the content to regional 21 and metering 14 servers. The content received by the metering server 14 from the publisher may include content titles that summarily describe the contents and are stored in the index databases 35 of the metering servers 14. The metering server 14 transmits the titles and possibly a portion of the content to the client systems 12. If the end user wants to consume the electronic information, the user generates a request for the electronic information, typically by providing an input to the GUI of the client system 12. The metering server 14 receives the request and sends the information in accordance with the metering methodology of the system." col. 15, lines 47-64.

Dedrick also fails to teach or suggest requesting an e-mail address as part of billing information, accepting a request for optical storage and billing information, including the user-specified e-mail address, or transmitting an electronic receipt to such an e-mail address. Dedrick therefore fails to teach limitations that are also absent from the Kanoh/Amos combination. However, Dedrick fails to teach or suggest further elements of claims 23-25 and 64-66. For example, Dedrick does not teach or suggest recording information of an optical media, as in claims 54 and 65.

Dedrick also fails to teach or suggest instructions for directing a second CPU to read a user profile, determine which type of optical storage media a user prefers, and transmit advertisements for optical storage media of types the user prefers to a kiosk (as in claims 25 and 66). Dedrick does not teach or suggest determining a type of optical storage media preferred by a user, or for that matter, determining any type of product preferred by a user. Dedrick instead discloses a "content adapter 25 customizes electronic content to the individual end user based on the user profile data contained in

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personal profile database 27." Dedrick col. 7, lines 66- col. 8, line 1. User profile data is made up of "consumer variables...such as marital status, color preferences, favourite sizes and shapes, preferred learning modes, employer, job title, mailing address, phone number, personal and business areas of interest, the willingness to participate in a survey, along with various lifestyle information. This information will be referred to as user profile data." Dedrick, col. 3, lines 42-48. Dedrick does not teach or suggest determining a preferred product (e.g., type of optical media) and transmitting advertisements accordingly. Instead, Dedrick discloses altering electronic information based on the above consumer variables: "For example, a unit of electronic information may be received with a particular field having the default color of green. If personal profile database 27 contains sufficient data regarding color preferences for the individual end user, then content adapter 25 changes the color of that particular field from green to whatever color preference is contained in personal profile database 27 for that individual end user." Dedrick col. 8, lines 5-12.

We note that within the section relating to Kanoh, Amos and Dedrick, the pending Office Action includes a sentence fragment that reads:

"Alternatively, as to claims 25 and 66, Kanoh et al in view of Amos and Dedrick show all elements except". See Office Action p. 14, second paragraph.

We respectfully request that the Examiner clarify this alternate rejection so that it can be addressed appropriately.

Claims 39-41 and 80-82: Claims 39-41 and 80-82 stand rejected as being unpatentable over Kanoh in view of Amos and further in view of Iida. We again respectfully disagree, for at least the following reasons:

Claim 39 requires a casing dispenser that dispenses a casing for optical media to a user. Contrary to the Examiner's assertion, Iida does not teach a casing dispenser or dispensing a casing. In fact, casing is not mentioned at all in Iida. Iida describes the selection of a custom *jacket*, which may be obtained at a store-side *printer*. Iida, col. 2, lines 1-19. A printer is not a casing dispenser. Also, it is recognized in the art of recordable media that a jacket is normally a lightweight media contained *inside* a more

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durable casing (e.g., a "case" for a recorded disk, as described on page 6, lines 6-8 of the specification).

Claims 40 and 41 depend from claim 39, and thus benefit from like argument. Additional limitations such as a casing with a storage compartment for a disk (claim 40) and a casing including an identifier (claim 41) are also absent from Kanoh, Amos and Iida.

Claims 80-82 require dispensing a casing (claim 80), stamping a casing with pre-metered postage and printing a postal address on the casing (claim 81), and including an identifier on the casing (claim 82). As noted with respect to claims 39, 40 and 41, above, Kanoh in view of Amos and Iida does not teach or suggest such embodiments.

New Claims 84 and 85: New claims 84 and 85 depend from independent claims 1 and 43, respectively, and benefit from like argument. These claims further recite the unique limitations of kiosk inventory being viewable at a kiosk interface and over the Internet (claim 84) and reserving optical storage media at a kiosk, dispensing the media when the user visits the kiosk within a time period (claim 85). None of the aforementioned cited references teach or suggest the limitations of claims 84 and 85.

We have shown that pending claims 1-21, 23-62 and 64-83 and new claims 84 and 85 are non-obvious and allowable in accordance with 35 U.S.C. §§ 112 and 103. We thus respectfully request withdrawal of the Examiner's rejections, and allowance of all pending claims.

Allowable Subject Matter

We thank the Examiner for indicating the allowable subject matter in claims 15, 17 and 56-58. We agree that the elements of these claims are not taught or suggested by the prior art. However, we contend that all additional pending claims are allowable, given the amendments and remarks presented herein.

*Attorney Docket No. 387953***CONCLUSION**

It is believed that this Amendment and Response addresses all points raised by the Examiner in the Office Action dated 09 March 2006. If any issues remain outstanding, the Examiner is encouraged to telephone the undersigned attorney.

A Petition for Two Months' Extension of Time is filed herewith, along with authorization to charge the required petition fee to Deposit Account No. 12-0600. Given the cancellation of claims 22 and 63, no fees are believed due for new claims 84 and 85. However, if any additional fee is deemed necessary in connection with this Amendment and Response, the Commissioner is hereby authorized to charge Deposit Account No. 12-0600.

Respectfully submitted,

Date: 9 Aug 2006

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